

Sullivan County NH

Type of meeting: Board of Commissioners – Special Meeting with
Deputy County Treasurer Peter Lovely
Date/Time: Wednesday, January 02, 2008
Place: Newport County Complex, 14 Main Street, Newport NH
03773

Attendees: Commissioners Ethel Jarvis – *Chair*, Bennie Nelson – Vice Chair (arrived at 4:15) and Jeffrey Barrette – *Clerk*; Peter Lovely – *Deputy County Treasurer*; Greg Chanis – *Interim County Manager*; Ted Purdy – *Sullivan County Health Care Administrator* and Sharon Johnson-Callum (minute taker).

The meeting began at 4:15

Agenda Item No. 1 Discuss finances with Peter Lovely

The group reviewed the “material weakness” sheet Peter Lovely created, which reflected:

1. Fiscal Recovery Plan (\$2,200,000 short fall)
 - a. Borrow up to \$3,000,000 on a line of credit to be repaid by 12/31/08 from taxes & loss, 2008 short fall
 - b. Monthly meetings of the Commissioners and a representative of the Delegation for the purpose of monitoring revenues & expenditures so that corrective actions to keep the budget in balance immediately
 - c. Above meeting would encompass nursing home representative to address (losses) financials
2. Nursing Home Budget
 - a. Hire a consultant to formulate and develop a plan to address the nursing home enterprise fund and to work on other items addressed in the Management Letter DRAFT of June 30, 2007
3. Close funds 30 & 42 effective immediately 12/31/07 contract MH & Co..
 - a. Update - Since this report was written by Mr. Lovely, Mr. Lovely and Mr. Chanis spoke with Mr. Biron who noted he does not expect this to be done in FY08, but in FY09.
4. Grant Funds – Obtain a list of all grant funds and assign a person to implement all items listed by M.H. & Co. (quarterly).
5. Internal Control Improvements - have consultant in item 2 above * internal auditor to be hired, separate and distinct.
6. Documentation as for disbursements – a) consultant to put a plan into OPNS and b) (internal auditor) to monitor.
7. Budgeting Process (audit)
 - a. Establish an asset liability committee
 - b. Utilize NHAC
 - c. Include a delegation member
8. Record Budgeted Transfers – should disappear with corrective procedures in 2&3 – have someone document in a formal plan how you will be dealing with auditor management letter comments.

Fiscal Recovery Plan

The group reviewed a balance sheet Mr. Chanis created. Year to date expenses, and removed non-cash – transfers from fund to fund. Interest on notes should be built into the figures, per Mr. Lovely. Between now and next week Mr. Lovely noted County needs to ask for 4 million, for end of fiscal year, takes care of 2.57 – up to 4 million figure. Mr. Lovely indicated Mr. Sweeney spoke to Citizens – they are willing to work with the County and offered a rate of 3.25%; as well as Lake Sunapee 3.65 %. She will need to come before the Commissioners and EFC for approval. Mr. Lovely recommended posting for the borrowing meeting, per RSA's. He noted a letter from Mr. Hathaway was required to indicate the county was conforming with RSA's and borrowing is legal.

Mr. Lovely indicated it is imperative that the CFO and County interface with auditors to make sure all is working, for credibility purposes – in order to build trust. Mr. Lovely noted they need a point person, to direct County's efforts to address the 5 points from this year audit and 3 points from previous years. The Delegate should appoint someone. Mr. Lovely recommended the Board relay to auditors the formal plan they decide on. Board expressed concern of a CFO position, pointing out there are no funds and they do not want to be top heavy. Mr. Lovely warned it was uncommon for CPA's to act as CFO's. Commissioner Barrette feels it's unnecessary to have a FTE CFO. Mr. Lovely suggested contracting one for a period. Mr. Chanis proposed having a *Scope of Services* drafted, develop list of services on going basis and develop a proposal on a fixed price. Mr. Chanis and Mr. Purdy have spoken already to Mr. Graham regarding this issue, and he has confirmed he could develop one. Commissioner Barrette feels day-to-day working with numbers is the County Administrator's, Mr. Chanis's, role. Commissioner Barrette concurred the internal auditor recommendation makes sense. Mr. Lovely advised the Board they should perform routine cash flow and income analysis. Mr. Chanis will follow up further with Mr. Lovely. They will await Ms. Sweeney's update on her further contact with the banks. Mr. Chanis will write a note to auditors regarding the issues discussed at today's meeting, and their future plans.

5:02 *Peter Lovely left the meeting*

Agenda Item No. 2 Decision on releasing YF07 final figures

Ms. Violette is awaiting decision from Board to release the FY 07 end of year figures.

5:02 Commissioner Nelson moved to release the end of year figures. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Agenda Item No. 3 Any of other new or old business

Facilities & Operations Department: Central Supply Coordinator

Mr. Chanis noted Facilities & Operation Depart hired a new Central Supply Coordinator.

NH State Courts Space Lease Agreement – Newport Complex

Mr. Chanis noted NH State Superior and Probate Court space rental lease would expire April 31, 2008. He recently received a proposed extension to go into effect 5/1/08; the State approached the County with handicap accessibility issues – they came up with list that would need to be addressed before the lease was signed – with one of the major

items an automatic door at the front entrance; the State will pay for the costs and provide a lump sum in the first quarter upon the County completing the upgrades; this is a three year lease - first year same and approximate 2% in next two years.

Water well update

Mr. Chanis noted all is going fine; however, as they the well was deepened, the State has determined this is now categorized as a new well and additional testing is required and the well permit must be reapplied for as the well is pumping more water.

NHAC 2008 Conference: Sullivan County hosting

Commissioner Barrette held conversation with Betsy Miller and found, while NHAC is willing to help with the conference, the brunt of work falls on hosting County Office and County Administrator. The Board discussed given the County's current financial situation and the current Manager resigning, they would like to delay hosting. Mr. Chanis is attending the NHAC Executive Committee meeting tomorrow and will relay the desire to them.

ProShare funds

Mr. Purdy noted he has attempted to contact DHHS regarding future ProShare figures, with no results.

5:25 *Mr. Purdy left the meeting.*

County Manager Agreement

Mr. Chanis confirmed the following was returned by former County Manager: vehicle (and gas cards), laptop, cell phone, and credit card. Mr. Chanis requested guidance on the car, he does not care one way or another if he uses his or the County's. He will be meeting with Mr. Gil de Rubio and the County Attorney tomorrow morning; the purchase order, per agreement, is awaiting Commissioner signatures.

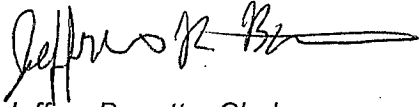
5:35 Commissioner Barrette moved to go into Executive Session for a litigation issue [Per RSA 91-A:3.ii.e]. Commissioner Nelson seconded the motion. There was no discussion. A role call vote was taken. The vote carried, unanimously.

5:40 Commissioner Nelson moved to come out of the Executive Session. Commissioner Barrette seconded the motion. There was no further discussion. A voice vote was taken. The motion carried, unanimously.

There was no formal motion required from Executive Session discussions.

5:41 Commissioner Nelson moved to adjourn the meeting. Commissioner Barrette seconded the motion. There was no further discussion. A voice vote was taken. The motion carried, unanimously.

Respectfully submitted,



Jeffrey Barrette, Clerk
Board of Commissioners

JB/s.j-c.

Signed on:

1/25/08